



STATE BOARD OF EQUALIZATION

Dear Mr. _____,

We believe, from the facts stated in your letter of May 23, that the sale of decals to members at a price of \$1, which authorizes them to receive merchandise at a reduced prices from certain filling stations, is not a sale of tangible personal property in the sense contemplated by the Sales and Use Tax Law.

You state that the decals cost approximately six cents each. We believe that the decals merely service to identify the holder as entitled to the reduced price and that the amount of \$1 that he pays is for the privilege of making a purchase at a reduced price, the decals being furnished merely to identify the holder as entitled to this privilege.

It is our belief that the decals are merely in the nature of a receipts for the payment of \$1 much as badges are furnished to evidence payment of memberships in organizations and similar privileges, and the tax properly applies to the sale price of the decals to the company furnishing them to members.

Very truly yours,

E. H. Stetson
Tax Counsel